

## AZTaxes Newsletter

### September 2015 Return and Payment

**Transaction Privilege and Use Tax (TPT) is always due on the 20<sup>th</sup> of the month.**

#### For TPT Electronic File and Pay

- **September 2015 TPT-1 and Payment;** to be considered timely received by the last business day of the month, you must submit electronically **both** your TPT-1 and your payment, no later than 5:00pm (Mountain Standard Time) Thursday, October 29, 2015.

#### For TPT Sent by Mail or Hand-Delivered

- **September 2015 TPT-1 and payment for all taxpayers who elect not to file electronically;** TPT-1 return and payment must be received no later than Thursday, October 29, 2015. If the TPT-1 and payment is received after this date it will be considered late regardless of postmark.

## TAX INFORMATION AND ALERTS

### **HURRY TIME IS RUNNING OUT! Arizona Tax Recovery**

**From September 1 through October 31, 2015, Arizona will offer Tax Recovery** – this is an opportunity for those who live, work, or do business in Arizona to pay any back taxes owed to the state without penalty, interest or criminal prosecution for those who qualify. Because October 31, 2015 falls on a Saturday, Tax Recovery applications and returns must be received and paid in full by Monday, November 2, 2015 in order to qualify for the Tax Recovery Program.

The following taxes are included in the Tax Recovery Program: Individual Income, Corporate Income, Transaction Privilege (Sales), and Use Tax. Non program city taxes are NOT included.

All taxes that are due on an annual basis may request tax recovery for any tax year ending before January 1, 2014. For example, an individual that files on a calendar year basis may request tax recovery for tax years through 2013.

All other taxpayers may request tax recovery for any tax period ending before February 1, 2015.

**Tax Recovery Tax Returns MUST be accompanied by the Tax Recovery Application form, and MUST be received and paid in full by November 2nd in order to qualify for the Tax Recovery Program.**

Eligibility requirements and other information: <https://www.azdor.gov/TaxRecovery.aspx>

### **New! City of Sedona Returning to the State Collection System**

**Effective January 1, 2016:** The City of Sedona is returning to the State collection system. Starting with your January 2016 reporting period due February 20, 2016, you will use the state TPT tax form to file and submit with payment to the Arizona Department of Revenue (ADOR).

For TPT reporting periods prior to January 2016, use the Revenue Discovery Systems (RDS) tax form. This includes the tax return for reporting period December 2015 due in January 2016. **Mail the RDS tax return and payment to RDS.**

### **New! TPT License Renewal Due January 1, 2016**

Every business licensed with the Arizona Department of Revenue is required to renew their Arizona Transaction Privilege Tax (TPT) license. The TPT license is valid for one calendar year and must be renewed annually. The renewal is due January 1, 2016. There is no State renewal fee.

Certain changes to a TPT license are subject to a fee of \$12 per location for the State license and any applicable City license fees. The following changes are subject to the \$12 State license fee and any City:

- ✓ Business name or DBA change
- ✓ Addition of reporting jurisdiction
- ✓ Business location address change
- ✓ Additional business or rental location

Renewal notices will be mailed to you this Fall. If you do not receive your notice by December 31, 2015 please call 602-542-5027. It may take up to thirty days to process your renewal.

### **Tutorials and Resource Tool**

Contracting Videos; new tutorials are available for viewing on You Tube! We have contracting videos that will provide an explanation of the statutory prime contracting changes that went into effect on January 1, 2015. Learn how to report these changes on your TPT-1.

Arizona Tax Rate Look Up Resource; a new resource tool is now available to help you look up the current tax rate for the jurisdiction and business description.

Luxury Tax; Arizona has a new tobacco e-file program. Learn how to register, file and pay using ALTO, the new Arizona Luxury Tax Online service.

Check it out at: <https://www.azdor.gov/TaxpayerEducation/Tutorials.aspx>

### ***Important!*** Deduction Codes Required on your TPT-1

Every deduction taken on your TPT-1 must have a deduction code and a completed Schedule A attached. Deductions are to be itemized by category on Schedule A on page 2 of the TPT-1 form.

***Deductions reported with no Schedule A or an incorrect or missing deduction code will be disallowed and penalties and interest may apply.***

***NOTE: Previous deduction codes 888 and 999 are no longer available. Standardized list of deduction codes is available on our Forms page at:***

[www.azdor.gov/Forms/TransactionPrivilegeTax.aspx](http://www.azdor.gov/Forms/TransactionPrivilegeTax.aspx)  
[www.azdor.gov/TPTSimplification/DeductionCodes.aspx](http://www.azdor.gov/TPTSimplification/DeductionCodes.aspx)

### **Model City Tax Code**

Go online at <http://modelcitytaxcode.az.gov/> to find information about City Tax Code, recent and proposed changes to the Model City Tax Code and City Tax Rates.

The new state/county combined rates are available here:  
<http://www.azdor.gov/Business/TransactionPrivilegeTax/TPTRates.aspx>

### **Town of Jerome**

**Effective November 1, 2015:** On September 29, 2015, the Town Council of the Town of Jerome passed Ordinance No. 417. This increased the tax rate for **Business Code 011 Restaurants and Bars** from the existing rate of **three and one-half percent (3.5%)** to a total of **four and one-half percent (4.5%)**

Beginning with the November 2015 tax period, report Restaurant and Bars activity for the Town of Jerome using **Region Code JO** and **Business Code 011** and calculate the tax using a tax rate of **four and one-half percent (4.5%)**.

Ordinance Number 417 also revokes **Model Option 6** of the Model City Tax Code and creates **Hotel/Motel (Additional Tax) Classification at two percent (2.0%)**. **For the November 2015 tax period, use Region Code JO and Business Code 144 for Hotel/Motel (Additional Tax) for the Town of Jerome.**

### City of Surprise

**Effective November 1, 2015:** On August 4, 2015, the Mayor and Council of the City of Surprise passed Ordinance Number 2015-10. This increased the tax rate for the **Business Code 144 Hotel/Motel** from the existing tax rate of **two and fifty-two hundredths percent (2.52%)** to **four and fifty-two hundredths percent (4.52%)**.

Beginning with the November 2015 tax period, report Hotel/Motel activity for the City of Surprise using **Region Code SP** and **Business Code 144** and calculate the tax using a tax rate of **four and fifty-two hundredths percent (4.52%)**.



### Town of Superior

**Effective December 1, 2015:** On August 13, 2015, the Mayor and Council of the Town of Superior passed Ordinance Number 15-129. Ordinance Number 15-129 is repealing the sunset provision of Ordinance Number 117. This means the Transaction Privilege (Sales) tax rates for the Town of Superior will **remain at four percent (4.0%)**.

Residential and Commercial Rental, Leasing, & Licensing for Use were not amended and will **remain at two percent (2.0%)**. Metalliferous Mining will remain at **one tenth of one percent (.10%)**.



### Town of Gilbert

**Effective January 1, 2016:** On July 30, 2015, the Common Council of the Town of Gilbert passed Ordinance No. 2547. This decreased the rate of taxation for the specific business codes listed below from the existing rate of one and one half percent (1.5%) to zero percent (0%). This change affects the following business codes for Gilbert (**Region Code GB**):

Business Code 116 Feed at Wholesale, Business Code 020 Timbering and Other Extraction and Business Code 040 Rental Occupancy.

Business Code 019 Severance – Metal Mining from one tenth of one percent (.10%) to zero percent (0%).

Ordinance Number 2547 revokes **Local Option P** of the Model City Tax Code that imposes a tax on Feed at Wholesale.

Ordinance Number 2547 revokes **Local Option Q** of the Model City Tax Code that imposes a tax on Rental Occupancy.

## Arizona Transaction Privilege Tax (TPT) License Update

Changes to TPT licenses are subject to a \$12 fee per location for the state fee and any applicable city fees. There are no fees for changes to corporate account, Use Tax or Withholding registrations. Changes to the following items can be requested by using the Business Account Update form available at [www.azdor.gov](http://www.azdor.gov):

- Business name
- Mailing address
- Business location
- Additional business or rental location(s) filing consolidated reports
- Corporate officer



### **Remember!** Electronic Payment Settlement Date

In order for your electronic payment to be received timely, your electronic transaction must be submitted in advance of the cutoff time and due date:

- ACH Debit or E-Check; payments made on AZTaxes must be submitted before 5:00pm Mountain Standard Time (MST) the Arizona business day prior to the due date in order for your payment to settle the next business day. The settlement date is the date the money is debited from your bank account and credited to the Department of Revenue.
- Credit Cards; payments submitted before 5:00pm (MST) will be credited to your Department of Revenue account on the same day. Same day only applies to *credit card* payments.

### **Good to Know!** Payment Arrangements

- To make payments over a period of time, contact the Office Collections Section in Phoenix at (602) 542-5551 or Tucson at (520) 628-6442. Any Revenue Officer will be able to assist you.
- Information is also available at:  
<http://www.azdor.gov/Collections/PaymentArrangement.aspx>